App. F. IX-4

Previous References 1935-6 (S.O.F.)
S. O. F. 61-35 (5 9)

File No. 14-35
Serial Nos. 4, 5, 6, 7

Letter References.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. four 1-21

Part B for February

SUBJECT.

Terms for the distillation of sandal at Karwar

WD 03607—GPB—22,500—2-8-35

GENERAL AND REVENUE SECRETARIAT.

S.O-2. 14-35-4.

S07

7-11-35

2141

2245

Pet. No. 929

OFFICE OF THE DEWAN OF MYSORE,

Bangalore, Dated 4 . 11 . 1935

The accompanying petition addressed to the Dewan is forwarded, with compliments, to the Secretary to Government, Development *Department, for disposal.*

No 731 Copy of a letter dated 30.10.1935 from messrs Mathura Prasad Suraj Prasad - S. vil distillers, Kannauj, offering to take up all Sanctioned 14 distillery at Kannauj at reduced rates.

Subject for personal discussions by the Dir. S.V.S., if any, may be arranged.

By Order,

Private Secretary to the Dewan.

For perusal

Second Member

KB 9.11.1935

SECOND MEMBER OF COUNCIL.
13 NOV. 1935
No. 3657

KB 9.11.1935

NOTES AND ORDERS.

Secy's orders:- Please let me see the papers about Kannauj Agency. (Govt M.V. 13/11)

File No. SOF 61-32(5-9) is sent.

KB · 16-11-35

16/11

2 Please write to D.O. and get the particulars and then the agents discussed

16/11

18.11.

19/11

19/11

Notes—First Sheet.

D.O. letter No. 3320 dt 20-11-35 from Mr S Sadasivaiah. Calls for a report

KB 25/11/35

SECRETARIAT

DEVELOPMENT BRANCH.

2141/2745
2772 (2

General and Revenue Secretariat | File No. S.O.T. 14 of 1935 | [App. F. III—2

Serial No.	
	Letter no. 1683 d 10.12.1935 from the Dir. S.O.T. furnishing details of sales of oil made by Messrs Mathuradassand during the past 2 years and stating that the offer of Messrs Mathuradassand is not advantageous to us.
	Submitted for personal with reference to para 2 above.
	168. 13.12.35
	The Director says that the proposal of Messrs Mathura Prasad Suraj Prasad to purchase 35,000 lbs ghee etc is not advantageous.
	(Dev. Secy) 15/12
	For personal
	Secretary 25.12
	23.12
	25/12/35
	26.12

GEN. & REV. SECRETARIAT
26-12-35
DEVELOPMENT BRANCH

NOTE.—Contn. Sheet.

WD 03594—GPB—30,000—13-7-35

Terms for distillation of S. oil at Kanany

3 3 7

General and Revenue Secretariat	File No. S.D.F.14 of 193 5	[App. F. III—2

	Serial No.	
	7	Letter no. 2063 of 20th January 1936 from the Dir. S.D.F. forwarding copy of letter from Messrs Mathuradas Prasad & Suraj Prasad offering their terms for distillation of S. wood oil at Kanany and stating that he is not impressed with the offer. Submitted for orders, with reply.
Govt. 14.3.5-6	8.	Kind attention is invited to Dir's letter of 10.12.35 wherein he has explained how the offer of Messrs Mathuradas is not advantageous. (Those gentlemen for S. wood oil-like existing auction sale). Survey) 29.1 29.1
4764 25/11		The whole position in connection with the results of Madras Forest Department sales are known. Secretary
		27.1. 27.1 29/1/36. 29.1.36. 29.1
	9	Returned for orders. (Vide S.S.: Position in regard to results of Madras Forest Department auction sales 16.7.2.36. 98

OFFICE OF THE SECOND MEMBER OF COUNCIL
27 JAN 1936
No. 5662

NOTE.—Contn. Sheet.

WD 03591—GPB—30,000—13-7-35

Distillation of Sandalwood oil at Kanuj

File No. of 193

General and Revenue Secretariat

(Secy) 8.2

The distillation at Kanuj is unlikely to be a menace. No further action is necessary

Secretary

8.2

11.2

12/2/35

18.2

50 Rs

OFFICE OF THE SECOND-MEMBER OF COUNCIL
11 FEB. 1935
No. 611

CODES USED:—A. B. C. 5TH & 6TH EDITIONS.

TELE. ADD.....

Mathura Prasad Suraj Prasad

SANDAL WOOD OIL DISTILLERS.

LIME & FLOUR MILLS.

OFFICE OF THE DEWAN OF MYSORE.
Date of Receipt 4.11.35
Pers. Regr. No 929

Kanauj, 30th, October 1935. 193

COPY.

The Director,
Sandal Oil Factory,
Bangalore.

Respected Sir,

In the representation, i.e., my letter of 16th Octr. 35 which I personally handed over to you, I regret to note that important omissions have been made in the english translation of the Urdu draft I gave you. In the paragraph 4 it is simply mentioned," I beg to offer to purchase all the oil obtained from Kanauj distillation etc., etc., at Rs 5/- less than the advertised rate for Mysore Govt. Factory distilled oil, i.e., ---- at Rs 6/8/- per lb etc.," In my Urdu draftI had added that my purchase at this rate will mean that I am prepared to meet all the following expenses:-

1. Freight of sandalwood from Mysore to Kanauj.
2. Distillation charges.
3. Agency commission.
4. Loss arising out of market competetion.

By accepting my offer the Govt. will be saved of all these expenses and yet be assured of a permanent income and business.

I realise that I am taking a great responsibility by making this offer, which may put me to some losses but my only desire is knowhow that the Govt. should not loose hold on this market, and that our relations should continue if possible for ever.

I wish to bring to your kind notice once again that the govt. have suffered a loss in the Kanauj market during the last two years alone and not before. Why so? I do not think I shall be wrong in pointing out that it was because of, as i had suggested in the beginning, having given the Agency to the perfumers, & merchants, which the Govt. never did before. As the merchants were interested, which naturally they should be, and you must also admit, in bringing down the prices as low as possible on some excuse or other so as to gain as much benefit as possible, the Govt. were induced by them to reduce the rates thereby causing losses to the Government. Hence it is clear that Govt. have not suffered a loss simply because they were distilling oil in my factory. Even now I can assure the Govt. that they can not only improve their business in this area but also will be able to gradually increase the rates if they are pleased to accept my offer, made above, which I have done at some personal risk and to the permanent advantage of the Government.

It is perhaps unnecessary for me to point out that by stopping

P. T. O.

CODES USED:—A. B. C. 5TH & 6TH EDITIONS. TELE. ADD.....

Mathura Prasad Suraj Prasad,

SANDAL WOOD OIL DISTILLERS.

LIME & FLOUR MILLS.

6

Kanauj.....193

stopping distillations in my factory the Govt. will not only loose all the sales, i.e., about 25000 lbs of oil, in this market, thereby causing a decrease in the Govt. revenue by Rs 150,000/-, but also help the other manufacturers to monopolise the entire sandal oil trade in Kanauj and in the whole of India by offering their oil at a rate slightly less than the Govt. sheduled rate, which in turn will result in the decreased sales of the Govt. Sandal oil and consequently a further decrease in the Govt. revenue.

After all I am requesting to try my proposal only for one year so that the Govt. may find out themselves whether it is worth while for them to continue it or stop it at the close of the next year.

Yours faithfully,

Sd. Surajprasad Dubey,
Proprietor.

(Copy sent to Dewan Sahob and to the Member.)

Copy.

To

The Director,
Sandal Oil Factory, Bangalore.

Respected Sir,

I, the undersigned, most humbly and respectfully beg to bring the following few lines to your kind and sympathetic consideration with a view that my humble prayer would meet with success :-

I beg to submit that I had been to Mysore during Dasara and learnt that the benign Govt. have resolved to close the Kanauj Factory because the Govt. are realising very low rates for oil.

for the last twenty years the difference of rate between the loose and packed oil was only annas four per lb,but now for the last two years the difference has considerably increased so much so that to-day it is as much as Rs 3/- per lb. From the year 1933, I am bringing to the notice of the benign Govt. not to give Agencies to the perfumers because the interests of perfumers and distillers are quite opposite. In spite of my repeated requests the Government were pleased to confer agencies to firms of perfumers with the result ~~that~~ they brought down the prices considerably in their own interests. Not only this, this year about ten to twelve thousands of pounds of oil has been despatched to foreign countries causing a double loss to Government. The advertised price for Mysore Govt. distilled oil being Rs 11/8/- per lb, the price of crude oil distilled in Kanauj is such that Govt. realise only about Rs 4/- per lb, after deducting all expenses.

In this connection, I beg to offer to purchase all the oil obtained from Kanauj distillation,if the present arrangements are continued,at Rs 5/- less than the advertised rate for Mysore Govt. Factory distilled oil, i.e., if the advertised rate is Rs 11/8/- per lb, I shall purchase at Rs 6/8/- per lb, and also 10,000 lbs of packed oil from the Mysore Factory at a special rate of 6 annas less than the advertised rate. On the whole I shall purchase about 35,000 lbs of oil for sale in United Provinces Agency area. The offer made by me will give the Government a rate which is equal to the rate in the American market and higher than the Japanese market. All purchases will be ~~mad~~ made on cash basis. If my terms are accepted, The Govt will no doubt derive the following facilities:-

1. The income of one and a halh lakhs of rupees now derived by Government will stay permanently.
2. The scheme of the Government will not be affected.
3. Your possession in the Market will stay permanently.

I beg respectfully to give the above scheme of mine a trial for one year. I shall endeavor my level best to improve the tone of the market to get better prices. I request the decision of the Government may kindly be intimated to us within ten days.

Yours faithfully,

Camp Bangalore,
16th Octr. 1935.

sd-Surajprasad Dubey
Kanauj.

(A translated copy from Urdu letter)

CODES USED:—A. B. C. 5TH & 6TH EDITIONS. TELE. ADD.....

Mathura Prasad Suraj Prasad,

SANDAL WOOD OIL DISTILLERS.

LIME & FLOUR MILLS.

2245

Kanauj, 30th, October 1935. 193

COPY.

The Director,
Sandal Oil Factory,
Bangalore.

Respected Sir,

In the representation, i.e., my letter of 16th Octr. 35 which I personally handed over to you, I regret to note that important omissions have been made in the english translation of the Urdu draft I gave you. In the paragraph 4 it is simply mentioned," I beg to offer to purchase all the oil obtained from Kanauj distillation etc., etc., at Rs 5/- less than the advertised rate for Mysore Govt. Factory distilled oil, i.e., ---- at Rs 6/8/- per lb etc.," In my Urdu draftI had added that my purchases at this rate will mean that I am prepared to meet all the following/ expenses:-

1. Freight of sandalwood from Mysore to Kanauj.
2. Distillation charges.
3. Agency commission.
4. Loss arising out of market competetion.

By accepting my offer the Govt. will be saved of all these expenses and yet be assured of a permanent income and business.

I realise that I am taking a great responsibility by making this offer, which may put me to some losses but my only desire is kxxxhxx that the Govt. should not loose hold on this market, and that our relations should continue if possible for ever.

I wish to bring to your kind notice once again that the govt. have suffered a loss in the Kanauj market during the last two years alone and not before. Why so? I do not think I shall be wrong in pointing out that it was because of, as i had suggested in the beginning, having given the Agency to the perfumers & merchants, which the Govt. never did before. As the merchants were interested, which naturally they should be, and you must also admit, in bringing down the prices as low as possible on some excuse or other so as to gain as much benefit as possible, the Govt. were induced by them to reduce the rates thereby causing loss to the Government. Hence it is clear that Govt. have not suffered a loss simply because they were distilling oil in my factory. Even now I can assure the Govt. that they can not only improve their business in this area but also will be able to gradually increase the rates if they are pleased to accept my offer, made above, which I have done at some personal risk and to the permanent advantage of the Government.

It is perhaps unnecessary for me to point out that by stopping

P. T. O.

CODES USED:—A. B. C. 5TH & 6TH EDITIONS. TELE. ADD.....

Mathura Prasad Suraj Prasad,

SANDAL WOOD OIL DISTILLERS..

LIME & FLOUR MILLS.

Kánauj, ... *193*

Vide file no. Govt. 14-35-2 Furthers

stopping distillations in my factory the Govt. will not only loose all the sales, i.e., about 25000 lbs of oil, in this market, thereby causing a decrease in the Govt. revenue by Rs 150,000/-, but also help the other manufacturers to monopolise the entire sandal oil trade in Kanauj and in the whole of India by offering their oil at a rate slightly less than the Govt. scheduled rate, which in turn will result in the decreased sales of the Govt. Sandal oil and consequently a further decrease in the Govt. revenue.

After all I am requesting to try my proposal only for one year so that the Govt. may find out themselves whether it is worth while for them to continue it or stop it at the close of the next year.

Yours faithfully,

Sd. Surajprasad Dubey,
Proprietor.

(Copy sent to Dewan Sahob and to the Member.)

Copy.

To

10.

The Director,
Sandal Oil Factory, Bangalore.

Respected Sir,

I, the undersigned, most humbly and respectfully beg to bring the following few lines to your kind and sympathetic consideration with a view that my humble prayer would meet with success :-

I beg to submit that I had been to Mysore during Dasara and learnt that the benign Govt. have resolved to close the Kanauj Factory because the Govt. are realising very low rates for oil.

For the last twenty years the difference of rate between the loose and packed oil was only annas four per lb, but now for the last two years the difference has considerably increased so much so that to-day it is as much as Rs 3/- per lb. From the year 1933, I am bringing to the notice of the benign Govt. not to give Agencies to the perfumers because the interests of perfumers and distillers are quite opposite. In spite of my repeated requests the Government were pleased to confer agencies to firms of perfumers with the result ~~khak~~ they brought down the prices considerably in their own interests. Not only this, this year about ten to twelve thousands of pounds of oil has been despatched to foreign countries causing a double loss to Government. The advertised price for Mysore Govt. distilled oil being Rs 11/8/- per lb, the price of crude oil distilled in Kanauj is such that Govt. realise only about Rs 4/- per lb after deducting all expenses.

In this connection, I beg to offer to purchase all the oil obtained from Kanauj distillation, if the present arrangements are continued, at Rs 5/- less than the advertised rate for Mysore Govt. Factory distilled oil, i.e., if the advertised rate is Rs 11/8/- per lb, I shall purchase at Rs 6/8/- per lb and also 10,000 lbs of packed oil from the Mysore Factory at a special rate of 6 annas less than the advertised rate. On the whole I shall purchase about 35,000 lbs of oil for sale in United Provinces Agency area. The offer made by me will give the Government a rate which is equal to the rate in the American market and higher than the Japanese market. All purchases will be mad made on cash basis. If my terms are accepted, the Govt will no doubt derive the following facilities:-

1. The income of one and a halh lakhs of rupees now derived by Government will stay permanently.
2. The scheme of the Government will not be affected.
3. Your possession in the Market will stay permanently.

I beg respectfully to give the above scheme of mine a trial for one year. I shall endeavor my level best to improve the tone of the market to get better prices. I request the decision of the Government may kindly be intimated to us within ten days.

Yours faithfully,

Camp Bangalore,
16th Octr. 1935.

sd-Surajprasad Dubey
Kanauj.

(A translated copy from Urdu letter)

Appendix F G—1]

SUBJECT 11

Section S.D.R.
File No. 14-35
Serial No. 5

Diary No. of letter replied to.....

No.
To D. 3320

The Director, S.D.R.

Dear Sir,

General and Revenue Secretariat

( )

the *193* .

Messrs Mahavir Prasad Suraj Prasad of Kamanj have sent to Govt. a copy of their letter of 30.10.35 to you re: their offer to purchase the S.P. obtained from Mr. Agarwal of Kamanj Rs. and to request to be favoured with your views thereon at an early date

Date of issue 20.11.35

Signed by Mr. K.S.R.

List of enclosures.....

Copied by .....

Examined by Prices

Govt. also to request to be favoured with a report regarding the sales of Govt. stores by the Agents and the terms and rates realized for the same.

Yrs.

19/11

GENERAL AND REVENUE SECRETARIAT,

D. O. No. S. 3320
S.O. R14-35-5 Bangalore, Dated, 20th November 35

Dear Sir,

Messrs. Mathura Prasad Suraj Prasad of Kanauj have submitted to Government a copy of their letter dated 30th October 1935 to you regarding their offer to purchase all the sandal oil obtained from distillation at Kanauj, etc., and to request to be favoured with your views thereon at a very early date. I am also to request to be favoured with a report regarding the sales of Sandal Oil made by the Agents so far and the prices realized.

Yours sincerely,

S. Abdul Wajid, Esq., B.A.,
Director of Sandal Oil Factory in Mysore
Bangalore.

S.O.F.-14-35-6

GOVERNMENT OF MYSORE

ADDRESS FOR TELEGRAMS:
SANDAL
BANGALORE
CODE USED: "BENTLEY'S"

SANDALWOOD OIL FACTORY

Bangalore, 9th December 1935
10"

13

No. 1683.
Enc.

2772

Dear Mr. Venkatanaranappa,

With reference to your D.O. letter No.3320/S.O.F. 14-35-5 dated 20th November, 1935, requesting me to furnish my views on the proposal of Messrs. Mathura Prasad Suraj Prasad to purchase 35,000 lbs of oil etc., I write to inform you that I do not consider the proposal to be advantageous to us. According to the price offered by them for the oil the value of different classes of wood would be as under:

(1) Billets & Jajpokal Rs 787.1 per ton
(2) Roots .... Rs 856 per ton.

As against these, we have during 1934-35 realised by the sale of oil the following prices for the above classes:

(1) Roots .... Rs 948
(2) Billets .... Rs 783
(3) Jujpokal .... Rs 801

The guarantee to purchase 35,000 lbs of oil at Rs 6/8 net by Messrs. Mathura Prasad Suraj Prasad is subject to a proviso that our schedule rates are to be kept at Rs 11/8 per lb. In other words, they want to clear Rs 5/- per lb towards distillation charges, railway freight, commission etc. Against this Rs 5/-, our actuals on Kanauj distillation against the above items of expenditure are only Rs 4.25 per lb including the commission we pay to the Agents. Messrs. Mathura Prasad Suraj Prasad will therefore be getting about annas 12/- per lb more than what they are getting

now for distillation. They are already making a net profit of at least Rs 75/- per ton in distillation.

I note below the rates realised by the sale of oil through the Kanauj Agents during the years 1933-34 and 1934-35:-

Year.	Loose Oil lbs.	Packed Oil lbs Ozs.	Rate realised per lb of oil.
1933-34	7081 - 10	1,979 - 0	Rs 11.2
1934-35	23956 - 0	2,975 - 1	Rs 9.02

Yours sincerely,

Abdul Wajid.

M. Venkatanaranappa Esq., B.A.,
Secretary to Government,
Development Department,
Bangalore.

MG)

S.D.7.14-35-7

GOVERNMENT OF MYSOREE

ADDRESS FOR TELEGRAMS: SANDAL BANGALORE

CODE USED: "BENTLEY'S"

SANDALWOOD OIL FACTORY

Bangalore, 20th January 1936

No. 2063
Enc. 2.

DEVELOPMENT

My dear Mr. Venkatanaranappa,

Re: Distillation and sale of Oil in Kanauj.

In continuation of my letter No.1683 dated 10-12-35, I enclose copy of letter dated the 18th January 1936, received from Messrs. Mathuraprasad Surajprasad, (Camp) Bangalore, on the above subject. They guarantee a sale of 32,000 lbs of oil at the scheduled rates provided they are appointed our Agents in those parts and we give them 150 tons of Sandalwood for distillation in their Factory. I am not impressed with their offer. By sending our oil from here we have a pull over others despatching wood for distillation from here of about Rs 1-4-0 per lb of oil with regard to freight on the wood. I do not see sufficient advantage to reopen the question of distillation elsewhere than in our Factory at Mysore.

Yours sincerely,

M. Venkatanaranappa Esq., B.A.,
Secretary to Government,
Development Department,
Bangalore.

MG)

Copy of letter dated 20th January, 1936, from Messrs. Mathura Prasad Suraj Prasad, (Camp) Bangalore, to the Director, Sandalwood Oil Factory in Mysore, Bangalore.

In continuation with our letter of the 18th instant, handed over to you personally, we beg to submit that the terms stated therein are subject to further reasonable modifications by your goodself, and the same can be altered to some extent by you after consulting us.

Director,
Sandalwood Oil Factory.

17

Copy of letter dated 18th January, 1936, from Messrs. Mathuraprasad Surajprasad, (Camp) Bangalore, to the Director, Sandalwood Oil Factory, Bangalore.

We have come down to Bangalore, as others from Kanauj might also be coming, to put before you our scheme in absolutely new and convenient form with the following terms:-

1. That we agree to work in accordance with the usual Agency terms of the Government.

2. That we will guarantee to sell about 32,000 lbs of loose and packed oil in the U.P. Agency area at the schedule rates.

3. That you will allow us to distil for three years a minimum of 150 tons of your sandalwood roots, per year.

4. That we will return 134 lbs of oil per ton of Roots despatched from Mysore.

5. That we agree to pay in cash for the cost of wood against railway receipts F.O.R. Mysore, calculating on the oil return of wood at Rs 5/- less than the schedule rate.

6. That we agree to bear the transportation expenses of wood from Mysore to Kanauj and all other expenses in connection with the distillation of wood. Also we agree to bear any such losses as may be the result of market competition.

We hope your decision will be intimated to us by 21st Jan. 1936 before we proceed for the Fraserpet Auctions.

C O P Y.

Director,
Sandalwood Oil Factory.